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**CITY OF CAMARILLO,
CALIFORNIA**

SINGLE AUDIT REPORT

JUNE 30, 2009

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CITY OF CAMARILLO, CALIFORNIA

JUNE 30, 2009

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Camarillo
Camarillo, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Camarillo, California (the City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 17, 2009. Our report included an explanatory paragraph regarding the City's adoption of the provisions of GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of July 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor and City Council, the City's Management, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrich, Train, Day & Co., LLP

Rancho Cucamonga, California
November 17, 2009



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the City Council
City of Camarillo
Camarillo, California

Compliance

We have audited the compliance of the City of Camarillo, California (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in the City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2009, and have issued our report thereon dated November 17, 2009. Our report included an explanatory paragraph regarding the City's adoption of the provisions of GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of July 1, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor and City Council, the City's Management, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrich, Train, Day & Co., LLP

Rancho Cucamonga, California
November 17, 2009

CITY OF CAMARILLO, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA	Grantor's Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grant	14.218	B-08-MC-06-0587	\$ 119,534
Community Development Block Grant	14.218	B-06-MC-06-0587	186,146
Community Development Block Grant	14.218	B-02-MC-06-0587	2,000
Subtotal U.S. Department of Housing & Urban Development			<u>307,680</u>
<u>U.S. Department of Homeland Security</u>			
Federal Emergency Management Agency passed through the California Office of Emergency Services Disaster Relief	97.036	OES ID#111-00000	<u>13,431</u>
<u>U.S. Department of Transportation</u>			
Federal Highway Administration passed through the California Department of Transportation Highway Planning and Transportation Program	20.205	CML-5393(017)	<u>77,079</u>
Federal Highway Administration passed through the Ventura County Transportation Commission			
Federal Transit Formula Grant	20.507	CA-90Y522	47,919
Federal Transit Formula Grant	20.507	CA-90Y399	394,551
Federal Transit Formula Grant	20.507	VEN030607	166,917
Subtotal Ventura Department of Transportation			<u>609,387</u>
Total U.S. Department of Transportation			<u>686,466</u>
Total Expenditures of Federal Awards			<u>\$ 1,007,577</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CITY OF CAMARILLO, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2009

NOTE #1 – REPORTING ENTITY

The City of Camarillo (the City) was incorporated under the General Laws of the State of California and enjoys all the rights and privileges pertaining to such "General Law" cities. The City uses the City Council/Manager form of government. The financial reporting entity consists of (a) the primary government, the City; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The following entities are component units of the City:

- Camarillo Sanitary District
- Camarillo Capital Improvement Corporation
- Camarillo Community Development Commission

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government's exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

Funds received under the various grant programs have been recorded within general, special revenue, capital projects, and enterprise funds of the City. The City utilizes the modified accrual method of accounting for the general, special revenue and capital projects funds. The accrual basis of accounting is used for the enterprise funds. The accompanying Schedule of Expenditures of Federal Awards (Schedule) has been prepared accordingly.

B. Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as Federal financial assistance passed through the State of California are included in the Schedule.

The Schedule was prepared only from the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.

CITY OF CAMARILLO, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, (CONTINUED)

YEAR ENDED JUNE 30, 2009

NOTE #3 – PROGRAM DESCRIPTIONS

A. Community Development Block Grant (CDBG)

The Community Development Block Grant (CDBG) Program was authorized under Title I of the Housing and Community Development Act of 1974. The primary objective of the CDBG Program is the development of viable urban communities, including adequate housing, a suitable living environment and expansion of economic opportunities, principally for persons of low to moderate incomes. Under this program, the Department of Housing and Urban Development (HUD) distributes funds based upon approved applications to eligible local governmental units for the purposes of community improvement and betterment. The City uses CDBG funds to finance a comprehensive home improvement program, which assists low and moderate-income residents through low interest subsidies and deferred loans.

B. Homeland Security

The Federal Emergency Management Agency, a department of the U.S. Department of Homeland Security provides funds for a variety of services related to terrorism prevention and natural disasters. The City used the funds to abate dangerous conditions created by natural disasters.

C. Federal-Aid Highway Planning and Transportation Program

The Federal-Aid Highway Program is provided by the Federal Highways Administration to fund the citywide annual overlay program. The objective of this grant is to assist in the construction and rehabilitation of the National Highway System. The Federal-Aid Highway Program is generally restricted to roads open to the public and not functionally classified as local.

D. Federal Transit Formula Grant

The Federal Transit Formula Grant is provided by the U.S. Department of Transportation to fund certain operating and capital costs of the City's transit operations.

CITY OF CAMARILLO, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, (CONTINUED)

YEAR ENDED JUNE 30, 2009

NOTE #4 – SUBRECIPIENTS

During the fiscal year ended June 30, 2009, the City of Camarillo made payments to the following subrecipients:

<u>Program Title</u>	<u>Federal CFDA No.</u>	<u>Federal Expenditures</u>
RAIN	14.218	\$ 5,506
Turning Point Foundation	14.218	4,382
Food Share	14.218	9,844
Long Term Care Ombudsman	14.218	8,707
Interface	14.218	6,034
OASIS	14.218	3,744
Palmer Drug Abuse Program	14.218	5,255
Winter Warming Shelter	14.218	9,584
Fair Housing Program (Housing Rights Center)	14.218	7,000
		<u>\$ 60,056</u>

CITY OF CAMARILLO, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

No

Significant deficiency(ies) identified not considered to be material weaknesses?

None Reported

Noncompliance material to financial statements noted?

No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

No

Significant deficiency(ies) identified not considered to be material weaknesses?

None Reported

Type of auditors' report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular
A-133, Section .510(a)

No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

20.507

Federal Transit Formula Grant

Dollar threshold used to distinguish between Type A and Type B programs:
Auditee qualified as low-risk auditee?

\$ 300,000

Yes

CITY OF CAMARILLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009**

II. FINANCIAL STATEMENT FINDINGS

None reported.

CITY OF CAMARILLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF CAMARILLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

SCHEDULE OF PRIOR YEAR FINDINGS

Finding

Status

2008-1 Community Development Block Grant (CDBG)

Implemented